

ON-SITE SYSTEMS, INC.
A PUBLIC UTILITY CO.

November 6, 2002

Honorable Sara Kyle
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

DOCKET NO.

02-01219

THE TENNESSEE
REGULATORY AUTHORITY
NASHVILLE, TN 37243-0505

NOV 12 PM 1 10

RECEIVED

RE: Petition to amend Certificate of Convenience and Necessity

Dear Chairman Kyle:

On-Site Systems, Inc. desires to increase the monthly residential sewer charge from \$19.38 + actual cost to \$21.66 + actual costs. The attached petition is in support of our request.

Sincerely,



Charles Pickney, Jr., President
On-Site Systems, Inc.

7638 River Road Pike Nashville TN 37209-5733
(615) 356-7294 Fax (615) 356-7295

OK 1007 \$25.00
PAID
11/12/02

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

_____, 2002

**IN RE: PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY**

DOCKET No. 02-01219

Petition of On-Site systems, Inc.
to amend its Certificate of Convenience and Necessity

On-Site Systems, Inc. ("On-Site") petitions the Tennessee Regulatory Authority ("TRA") to amend On-Site's Certificate of Convenience and Necessity by modifying Tariff sheet 2-A.

We propose that the rate shown for Southridge Subdivision in Montgomery County be changed from \$19.38 + actual costs to \$21.66 + actual costs. This change is requested to cover the costs of odor control chemical (bioxide) that the City of Clarksville is forcing us to use in order to comply with the contract between On-Site Systems and the City (see attached).

The following information is in support of our request.

Respectfully submitted,



Charles Pickney Jr., President
On-Site Systems, Inc.

On-Site Systems, Inc.
Sewer Service Billing Summary
Residential Sewer Rates

System	Monthly Charge
Oakwood Subdivision – Maury County	\$36.67
Southridge Subdivision – Montgomery County-Proposed	\$21.66 + act cost
Swan Harbor – Roane County	\$35.11
River Road Utility District – Cheatham County	\$31.15
Milcrofton Utility District – Williamson County	\$37.21
Tall Oaks Subdivision – Blount County	\$35.11
Yoakum Hollow Dev. (Windsor Pt) – Campbell County	\$35.11
Shreibman Development – Cannon County	\$35.11
Cornerstone of Mitchell Creek – Overton County	\$35.11
Bolton Area – Shelby County	\$32.68
Ussery #1- Sevier County	\$35.11
Harbor Pointe – Dekalb County	\$35.11
Hidden Springs Resort – Sevier County	\$35.11
Eagle Crest Development – Sevier County	\$35.11
Legacy Bay – Hawkins County	\$35.11
Dollywood Project – (Dream Catcher Ridge) - Sevier County	\$35.11
Homestead Suddivision – Sevier County	\$35.11
Rice Property – DeKalb County	\$35.11
East Stewart – Stewart County	\$30.98 – Lagoon \$35.11 – Sand Gravel Filter

**On-Site Systems, Inc.
Sewer Service Billing Summary
Residential Sewer Rates**

Jackson Bend Subdivision – Blount County	\$35.11
Browning Subdivision – Knox County	\$35.11
City of Coopertown - Robertson County - Lagoon - Sand-Gravel Filter	\$30.98 + 3% Franchise fee \$35.11 + 3% Franchise fee
Eagle Springs – Sevier County	\$35.11
Horseshoe Bend – Bedford County	\$35.11
Eagle Crest II	\$35.11
The Highlands – Sevier County	\$35.11
Falling Waters – Sevier County	\$35.11

Fees: Nonpayment – 5%, Disconnection - \$10,
Reconnection - \$15, Return Check - \$20, Access - \$84/yr

BACKGROUND INFORMATION

As a requirement of the contract between On-Site Systems, Inc. and the City of Clarksville, we are responsible for the costs of odor control. While this cost is not on the bill for wastewater treatment that the city sends us, it is a cost that is being forced on our company as a part of the cost of treatment. No provision was made for these costs when our petition (Docket # 99-00393) was submitted because they were unknown at that time and we had no prior experience with the City of Clarksville or this type of municipal contract.

COST ANALYSIS
SOUTHRIDGE SUBDIVISION
FOR AN AVERAGE OF 80 CUSTOMERS

6 Gallons per day x 365 days = 1095 Gallon/yr

Cost per Customer per month

Bioxide – Costs \$2/Gallon (See U.S. Filter invoice)

1095 gal/yr x \$2.00 per gallon = \$2,190.00/yr

Cost per customer per year = $\frac{2,190}{80} = \$27.38$

Cost per customer per month = \$2.28



...taking care of the world's water.

Davis Process Products

PICKNEY BROTHERS INC.
7638 RIVER ROAD PIKE

NASHVILLE, TN 37209

Remit to:
PO BOX 101371
ATLANTA, GA
30392-1371

Tallevast, FL
Phone: (941) 355 2971
Fax: (941) 351 4756

Invoice 8605158

Date 06/15/01

Salesperson 08 08 08 08

Your Order# VERBAL JIM

S
H
I
P
T
O

PICKNEY BROS.
7638 RIVER ROAD PIKE
NASHVILLE, TN 37209

Job: CAN01061105

Account	Date Ship	Shipped Via	Collect	F.O.B.	Terms
PIC372090	06/14/01	860/USF/JK	Y	ORIGIN	NET 30 DAYS

Quantity	Description	Discount	Unit Price	Amount
1800	8630000 BIOXIDE (R) SUBDIVISION DELIVERY IN CLARKSVILLE, TN. 615-356-7294 JIM	BOL32602	1.85	3330.00
	Tax- TENNESSEE	BOL32602		274.73
The purchase of BIOXIDE® from US Filter Davis Products constitutes an implied license to practice the process of "Removal of dissolved Hydrogen Sulfide and Reduction of Sewage BOD in Servers and Other Waste Systems" as described in United States Patent #Re. 36,651.				
TOTAL TAX				274.73
FREIGHT				0.00
				3604.73

Please pay this amount

VIVENDI
water company

WASTEWATER CONTRACT

This contract for the delivery and receipt of wastewater is entered into as of the 13th day of February, 19 98, between the CITY OF CLARKSVILLE, TENNESSEE, hereinafter referred to as the "CITY", and ON-SITE SYSTEMS, INC., hereinafter referred to as "ON-SITE",

WITNESSETH:

Whereas, ON-SITE has been organized and established under the provisions of the Code of the State of Tennessee for the purpose of constructing and operating a wastewater collection system serving certain users in the East Montgomery Utility District; and

Whereas, the City owns and operates a wastewater collection and treatment system with a capacity currently capable of serving the present customers of the City system and applicable customers of On-Site, and

Whereas, it is deemed necessary by the City and On-Site that a contract be established and executed to reflect present and proposed conditions and stipulations between the City and On-Site.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth, the City agrees:

- (1) To accept wastewater flow from On-Site at one point, namely, an existing sanitary sewer manhole near the intersection of Deerfield Drive, Cloud Drive, and State Route 12. The City shall receive wastewater in such quantity as may be required by On-Site but in any event not to exceed two million gallons per month at the delivery point on State Route 12. Instantaneous flows at this point shall be limited to two hundred gallons per minute.
- (2) To receive at its wastewater treatment plant, without additional charge, the sludge that On-Site may from time to time be required to pump from the septic tanks of the customers that On-Site serves through this contract in the East Montgomery Utility District.
- (3) To continue to maintain and operate its sewer collection system into which On-Site proposes to discharge. If the City elects to add any additional customers between the point at which the flow is discharged and the points at which it is metered, the ownership, maintenance and operation of the line downstream of the meter shall become the City's.

On-Site agrees:

- (1) To operate and maintain at its own expense at a point along State Route 12, immediately northwest of McAdoo Creek, the necessary metering devices of standard type for properly measuring the quantity of wastewater delivered to the City and to test and calibrate if necessary such metering equipment whenever requested by the City but normally not more frequently than once every twelve months. Meter tests and calibrations of less than 12 month intervals may be made if requested in writing by the City. If the meter is found to be accurate, the full cost for said short interval test shall be borne by the City. A meter registering not more than five percent above or below the test results shall be deemed to be accurate. The previous readings on any meter disclosed by the test to be inaccurate shall be corrected for the questioned months previous to such tests in accordance with the percentage of the inaccuracy found by such test. If any meter fails to register for any period, the amount of wastewater furnished during such period shall be deemed to be the amount of wastewater delivered in the corresponding period immediately prior to the failure unless City and On-Site shall agree on different amounts. The metering equipment shall be read monthly by the City.
- (2) On-Site shall bear the full installation expense including design, permitting, construction, cleanup, easement acquisition and all associated costs for the sewer main from the East Montgomery District boundary to aforementioned point at which the flow discharges into the City's present sewer collection system.
- (3) On-Site shall continue to operate, maintain, and repair the sewer force main up to the aforescribed connection point to the City's gravity system until such time that the City elects to add any other customer to the force main segment between the connection point and the metering point. Thereafter On-Site shall only be responsible for the force main up to the discharge of the metering point.
- (4) On-Site shall coat the interior of the existing receiving manhole on the City's wastewater system with a material that is specifically formulated to resist the corrosive effects of sewer gases. If the discharge is noted to be an objectionable odor problem, On-Site shall input the necessary odor control chemicals or install odor control equipment to control the odor problem.

- (5) Not less than once every two years on the anniversary date of this contract, On-Site shall furnish the City in writing, estimates of wastewater volumes to be delivered by On-Site for the next five years. The estimates shall include average and maximum daily demands.

It is further mutually agreed between the City and On-Site as follows:

- (1) That this contract shall extend for a time of 10 years from the execution date of this contract and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the City and On-Site.
- (2) That the City shall charge On-Site a monthly rate per one thousand (1000) gallons equivalent to the rate for Outside City Industrial Customers which is based on the City Industrial Customer rate. The City Industrial Customer rate is determined from the annual sewer department audit by dividing the "Total Sewer Expenses" by the "Total Sewer Gallons Billed." The City Industrial Rate based on the audit of the FY ending June 30, 1997 is \$6,508,679.00 divided by 2,563,122 thousand gallons = \$2.53936 per 1,000 gallons. The monthly Outside City Industrial and On-Site sewer rates per 1,000 gallons are:

First 300,000 gal.	$2 \times 2.53936 =$	\$5.07872
Next 700,000 gal.	$1.8 \times 2.53936 =$	\$4.570848
Next 1,000,000 gal.	$1.35 \times 2.53936 =$	\$3.428136
All over 3,000,000 gal.	$1.10 \times 2.53936 =$	\$2.793296

The minimum monthly bill for On-Site will be based on 10,000 gallons. The rates shall be revised annually upon receipt of the official audit of the Clarksville Sewer Department.

The City shall read the meter and mail a bill to On-Site on the last working day of each month. The bill shall be due and subject to a 10% penalty if not paid within 10 days of the bill date.

- (3) That by the mutual knowledge and agreement of the governing bodies and as otherwise provided for herein, the City or On-Site may provide service to customers within the normal service area of the other party when it is not feasible for said party to provide the desired service.
- (4) On-Site shall have the right to establish another site to dispose of its wastewater discharge, this contract then shall expire and the City shall not be under any further

obligation whatsoever to On-Site, and On-Site shall not be thereafter required to pay discharge fees to the City; but should On-Site establish another discharge site, then On-Site shall give the City a written notice one year prior to the date on which On-Site will cease to discharge. Any such notice to the City shall be addressed to the Mayor of the City of Clarksville and shall be sent by U.S. Registered Mail or U.S. Certified Mail, postage prepaid, receipt required.

- (5) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in the State of Tennessee, and the City and On-Site will collaborate in obtaining such permits, certificates or the like as may be required to comply therewith.
- (6) That in the event of any occurrence rendering On-Site incapable of performing under this contract, any successor of On-Site, whether the result of legal process, assignment or otherwise, shall succeed to the rights of On-Site hereunder.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in 4 counterparts, each of which shall constitute an original.

CITY OF CLARKSVILLE, TENNESSEE

By: Donna W. Trotter

Title: MAYOR

ATTEST:

Sylvia Skinner
City Clerk

ON-SITE SYSTEMS, INC.

By: Chad Parker

Title: PURCHASER